

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PARCEL SELECT & PARCEL RETURN SERVICE CONTRACT 5
(MC2014-1)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2014-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 1,
WITH PORTIONS FILED UNDER SEAL
(April 6, 2015)**

The United States Postal Service hereby provides its responses to Chairman's Information Request No. 1, which was issued March 31, 2015. Responses were due no later than April 6, 2015. Each question is reprinted verbatim in the attached, and is followed by the Postal Service's response. The Postal Service's responses are being filed under seal. The Postal Service incorporates by reference its application for non-public treatment for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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April 6, 2015

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 1

1. In its Notice, the Postal Service states that the amendment to Parcel Select and Parcel Return Service Contract 5 will not materially affect cost coverage, and therefore it does not provide supporting financial workpapers to support the amendment. Notice at 1. However, it appears that the amendment likely changes partner volumes, adjusted volumes, delivery costs, transportation costs, and other costs.

- a. Please provide detailed justifications for why the amendment does not materially affect each of the following: partner volumes, adjusted volumes, delivery costs, transportation costs, and other costs.
- b. Please confirm that the initial financial workpapers associated with this contract separately account for the impact of Section I.G. of the contract. If not confirmed, please explain.
- c. Please explain why the amendment does not require similar changes to the financial workpapers as the allowances made to account for the impact of Section I.G. of the contract in the initial financial workpapers.
- d. Please provide updated supporting financial workpapers accounting for the amendment.

RESPONSE:

[Responses filed under seal]